

In the Matter of:)
)
Application for Certification) Docket No.
of the Walnut Energy Center) 02-AFC-4
by Turlock Irrigation District)
)

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMITTEE MEMBERS PRESENT

James D. Boyd, Presiding Member

HEARING OFFICER, ADVISORS PRESENT

Stanley Valkosky, Hearing Officer

STAFF AND CONSULTANTS PRESENT

Kerry Willis, Legal Counsel

Matt Trask, Siting Project Manager

Eileen Allen

Lance Shaw

Bob Eller

Gary Reinoehl

PUBLIC ADVISER

Grace Bos

APPLICANT

Jeffery D. Harris, Attorney
Ellison, Schneider and Harris

Randy C. Baysinger, Project Manager, Assistant
General Manager
Randy Fiorini, President, Board of Directors
Larry Weis, General Manager
Steven E. Boyd, Department Manager
Turlock Irrigation District

John L. Carrier, J.D., Senior Project Manager
CH2MHILL

Susan Strachan, Principal
Strachan Consulting

Gary S. Rubenstein
Sierra Research

ALSO PRESENT

John Lazar
Turlock City Council

Sharon Silva, President and CEO
Turlock Chamber of Commerce

Jan Ennenga, Executive Director
Manufacturers Council of the Central Valley

Ken Gomes, Director of Facilities Services
Emmanuel Medical Center

Paul Fanelli, Vice President Human Resources
Patterson Frozen Foods

Carlos Estacio, III, President
Stanislaus County Farm Bureau

Gary Plummer, President
Modesto Chamber of Commerce

Gareth W. Krause, Assistant General Manager
Merced Irrigation District

Anthony C. Leo, CEO
38th District Agricultural Association
Stanislaus County Fair

George Werness

Mike Thorpe, Publisher
The Turlock Journal

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P R O C E E D I N G S

1:15 p.m.

PRESIDING MEMBER BOYD: Good afternoon, ladies and gentlemen. -- few minutes, it's going to be very brief. I'm Jim Boyd, Commissioner of the California Energy Commission and the Presiding Commissioner for this particular power plant application.

The first order of business is to just go on the record and announce that this is an opening of this hearing, but the first thing we're going to do is adjourn immediately and go have the site visit, which we presume will take roughly an hour. So we expect to be back here at 2:00. And I guess everyone's invited if they're interested in coming along on the site visit.

So, with that, we'll adjourn temporarily, or recess, I should say.

(Whereupon, at 1:18 p.m., the hearing was adjourned, to reconvene at 2:30 p.m., at this same location.)

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P R O C E E D I N G S

2:30 p.m.

PRESIDING MEMBER BOYD: Good afternoon.

I'd like to welcome back those of you who accompanied us on the site visit, and welcome any of the rest of you who are here for the first time today.

This is an informational hearing and site visit for the proposed Walnut Energy Center, proposed by the Turlock Irrigation District.

At this moment I think I want to go through the process of introductions. I'm Jim Boyd, Commissioner, California Energy Commission. I'm the Presiding Member of the two-Commissioner Committee that will be sitting and hearing and recommending for this particular project. The other Commissioner, Art Rosenfeld, was not able to be here today, and I look forward to seeing him at one of our future meetings.

I think with that I'd like to turn to the applicant and have all the people from the applicant's contingent introduce themselves.

MR. BAYSINGER: My name's Randy Baysinger. I'm the Project Manager for Turlock Irrigation District. And speaking today for us

1 will be, besides myself, Mr. Randy Fiorini, who is
2 our Board President, present board of directors;
3 Mr. Larry Weis, who is the General Manager of
4 Turlock Irrigation District. And then up here at
5 the table are our consultants, Susan Strachan, who
6 is our Project Manager-Environmental; and Jeff
7 Harris, Legal Counsel; and John Carrier, also a
8 Project Manager with Environmental.

9 PRESIDING MEMBER BOYD: Thank you very
10 much. Sitting with me here today, Stan Valkosky
11 is the Hearing Officer. And I will take great
12 pleasure in turning this hearing over to him
13 shortly. That's his task.

14 But also I would like to introduce our
15 hearing Public Adviser, Grace Bos of our staff
16 from Sacramento. And you'll be hearing from her.
17 And I would like any folks who intend to present
18 themselves as intervenors or participants or any
19 other government agency, people in the audience,
20 to also introduce themselves at this time. This
21 is a very informal formal hearing; at least we try
22 to make it very informal.

23 So, do we have any formal intervenors
24 who would like to introduce themselves to the
25 audience?

1 Okay. Any other people who are going to
2 be participants today, short of the public who's
3 filed cards?

4 All right. Now I'd like to get the
5 Commission Staff then to introduce themselves.

6 MR. TRASK: I'm Matt Trask; I'm the
7 Project Manager for the siting division on this
8 project.

9 Yeah, we have several staff members here
10 today. We have Eileen Allen, who's a senior in
11 transportation and what else, Eileen -- land use.
12 Lance Shaw, just coming in there, is the
13 Compliance Project Manager who will be involved
14 with issues through construction and into
15 operation.

16 With me today is Kerry Willis, the Staff
17 Attorney. And I know we have other staff members.
18 Bob Eller in the back, who will actually be the
19 Project Manager in a week or so. And anybody
20 else? I think that's -- where's Gary. Also with
21 us is Gary Reinoehl, who's a cultural resources
22 specialist.

23 PRESIDING MEMBER BOYD: Okay, thank you
24 very much. We've covered everybody and we'll --
25 we have blue cards in the back of the room, or

1 outside for people, members of the public who'd
2 like to testify. We've got a few up here now, and
3 the Public Adviser will point them out to you and
4 make mention of them again when she gives her
5 presentation.

6 I'd like to give you a little background
7 on this. Today's informational hearing is the
8 first public event conducted by this Energy
9 Commission Committee as part of the Commission's
10 licensing proceedings on the Walnut Energy Center.

11 Notice of today's hearing was sent to
12 all parties of interest; to adjoining landowners;
13 to interested governmental agencies; and other
14 individuals, on December 19th of 2002. In
15 addition, notice of today's event was published in
16 the local newspaper.

17 Documents pertinent to today's hearing
18 include a staff issues identification report that
19 was filed formally on January 15, 2003. And the
20 applicant's proposed schedule, which was filed on
21 January 17, 2003.

22 The purpose of today's hearing is to
23 provide a public forum to discuss the proposed
24 Walnut Energy Center project; to describe the
25 Energy Commission's review process; and to

1 identify the opportunities for public
2 participation in this process.

3 A visit to the project site was just
4 held preceding the rest of today's hearing. And,
5 as I indicated, today's events are the first in a
6 series of formal hearings that will extend over a
7 period of time. I won't say how much, so I don't
8 commit us to too short or too long.

9 The Commissioners conducting this
10 proceeding will eventually issue a proposed
11 decision containing their recommendations on the
12 proposed power plant.

13 It's important to note that these
14 recommendations must, by law, be based solely on
15 the evidence contained in the public record that
16 we accomplish.

17 With that, I would like to turn the
18 balance of the meeting/hearing over to the Hearing
19 Officer, Stan Valkosky, who will take us through
20 procedure and expectations and begin to introduce
21 the various parties who will be participating in
22 today's activities. Stan, take it away, please.

23 HEARING OFFICER VALKOSKY: Thank you,
24 Commissioner Boyd. First I'd like to say a few
25 words about procedure. During the course of

1 today's hearing we're going to proceed in the
2 following manner:

3 First, Commission Staff will provide an
4 overview of the Commission's licensing process,
5 and explain its role in reviewing the proposed
6 Walnut Energy Center.

7 Next, Grace Bos, the Commission's
8 Associate Public Adviser, will then briefly
9 explain how to obtain information about and
10 participate in the licensing process.

11 Applicant will then describe its
12 proposed project, and explain its plans for
13 developing the project linears and the project
14 site.

15 Upon completion of these presentations,
16 any intervenors, interested agencies and members
17 of the public may ask questions or offer comments
18 upon the proposed project.

19 Following these basic informational
20 presentations, we'll turn to a brief discussion of
21 scheduling and other matters discussed in the
22 issue identification report, and the proposed
23 schedules submitted by staff and applicant.

24 I think preliminarily I'd like those
25 present to be aware of a few things. While the

1 Public Adviser and Commission Staff will go into
2 greater detail later, I'd briefly like to tell you
3 what you can expect from the Commission's
4 licensing process.

5 First, we're embarking on a functionally
6 equivalent California Environmental Quality Act
7 review process. Basically this means two things.
8 First, our process must, by law, address the
9 substantive requirements and policies of the
10 California Environmental Quality Act.

11 Second, we provide a process which
12 provides vastly more comprehensive opportunity for
13 public review, comment and participation than does
14 a traditional CEQA-EIR process.

15 For example, while public hearings are
16 encouraged under CEQA, the law makes clear that
17 they're not required. And an EIR process, the
18 public review and comment portion may be conducted
19 entirely by written comments.

20 Conversely, in our process, every
21 meeting, workshop, hearing or other event
22 sponsored by the Commission must be noticed and
23 open to the public; and must allow the public
24 opportunity to comment and participate.

25 You will definitely have ample

1 opportunity to make your points of view known and
2 to comment upon the proposed project. These
3 rights, however, also mean that, as Ms. Bos will
4 explain, will necessarily assume certain burdens
5 that accompany that participation.

6 Finally, as Commissioner Boyd stated,
7 you can expect that all decisions made in this
8 case, including whatever the Committee's final
9 recommendation on the project is, will be made
10 solely on the basis of the public record.

11 In order to insure that this happens,
12 and to preserve the integrity of the licensing
13 process, Commission regulations and the California
14 Administrative Procedure Act expressly prohibit
15 off-the-record contacts concerning substantive
16 matters between the participants in this
17 proceeding and the Commissioners, their Advisors,
18 and myself.

19 This is known as the ex parte rule.
20 This means that all contacts between a party to
21 this proceeding and Commissioners Boyd and
22 Rosenfeld, and their staffs concerning a
23 substantive matter must occur in the context of a
24 public discussion such as will occur today. Or in
25 the form of a written communication, which will be

1 distributed to all parties.

2 The purpose of this rule is simply to
3 provide full disclosure to all participants of any
4 and all information which may be used as a basis
5 for future decision.

6 With that, we'll now begin the
7 presentations. And I'd just like to caution those
8 members of the public, in the interest of time,
9 please hold your questions and comments until the
10 ends of the presentations. You'll have ample
11 opportunity then.

12 With that, I'll turn to staff, Mr.
13 Trask.

14 MR. TRASK: Good afternoon, again. I'm
15 Matt Trask, the Project Manager in the siting
16 division of the California Energy Commission. The
17 siting division is responsible for the technical
18 and environmental review of power plant
19 applications that come in from various developers.
20 In this case it is the Turlock Irrigation
21 District.

22 You see up there the purpose of the
23 siting process and the siting division is to
24 insure that we get a reliable supply of electrical
25 energy basically to match, to make sure that we

1 have enough supply for our demand in the state at
2 any given time. While also insuring that we have
3 protection of the public health and safety. And,
4 of course, promoting general welfare and
5 environmental quality.

6 Stan covered some of these things
7 briefly. I'll do it in a little bit more detail.
8 Here you can see sort of a layout of our process.
9 As Commissioner Boyd mentioned, we have a five-
10 member Commission that oversees the entire
11 Commission and will be the body that will
12 eventually make the decision on this project.

13 Two of the Commissioners form a siting
14 Committee for each given project, as Commissioner
15 Boyd mentioned. Whoops, I'm sorry, I have the
16 wrong Commissioner down there. It's Commissioner
17 Boyd as the Presiding Member, and Commissioner
18 Rosenfeld as the Associate Member.

19 And then we have Stan Valkosky as the
20 Hearing Officer. And then we have, below that,
21 several parties that will be participating. And,
22 of course, the applicant, Turlock Irrigation
23 District. We have various local, state and
24 federal agencies. I'll go over that a little bit
25 in another slide.

1 And then we have the Energy Commission
2 Staff. We're an independent party. We make our
3 recommendations, but obviously we're not the ones
4 who make the decisions. But we do maintain a
5 certain level of independence from the Committee
6 and from the Commission so that we can
7 independently review the issues of any given power
8 plant.

9 Also participating are intervenors.
10 These are parties that formally participate in our
11 proceeding. They're often nonprofit agencies,
12 environmental groups, citizen groups, people like
13 that; sometimes the unions, various utility unions
14 involved with power plants.

15 And then, of course, we have the public,
16 which the Public Adviser will talk a little bit
17 more about the participation of the public.

18 But I will once again emphasize that we
19 very strongly emphasize relations with the public;
20 participation with the public. I have my business
21 card on the table out there, as well as, by the
22 way, copies of this presentation, and a couple
23 other documents. I welcome phone calls, emails.
24 If you have any questions about the project feel
25 free to give me a call or drop an email or

1 whatever. If you need some information I can get
2 you the information.

3 Now, the Energy Commission has
4 jurisdiction over all thermal power plants that
5 are 50 megawatts or greater in capacity. By
6 thermal I mean anything that uses a heat source.
7 Primarily in this state that means the burning of
8 natural gas. But it would also cover nuclear
9 power plants, coal-fired power plants, geothermal
10 power plants, all of those, if they're 50
11 megawatts or greater, come through our process.

12 We also regulate and license everything
13 that's associated with the power plant. That
14 might be the transmission lines which, you know,
15 were talked about quite a bit in the site visit.
16 As well as all the pipelines that are built for
17 the plant, the water, natural gas, waste disposal,
18 the access roads; virtually anything that's done
19 that might affect the environment or public health
20 and safety that's associated with the plant. We
21 also analyze that, and in the end license it.

22 A big part of my job is to coordinate
23 our process with the other agencies that are
24 involved on the federal, local and state level.
25 the USEPA, the Fish and Wildlife Service,

1 California Department of Fish and Game. I'll have
2 a list a little bit later of these various
3 agencies that we deal with.

4 Then another big part, as I've said
5 before, is the public involvement. I will be the
6 primary person to contact for this particular
7 project. And then Bob, when he takes it over.
8 And then, of course, if you have any other
9 questions about how to participate, general
10 questions, then probably the Public Adviser might
11 be your best source of information there.

12 As I stated before, we do work very
13 closely with agencies. We get them involved very
14 early on or try to. We send them copies of the
15 application, get their comments; try to find out
16 various concerns by the various agencies in their
17 areas.

18 Obviously Turlock Irrigation District is
19 a government agency, itself, so we keep them
20 involved both as an advocate, and then also as the
21 utility that serves this area.

22 We have the Stanislaus County and the
23 City of Turlock, Departments of Sanitation, Fire,
24 Planning, Public Works. Virtually any agency that
25 would be involved in the development of a large

1 industrial facility.

2 The San Joaquin Valley Air Pollution
3 Control District is kind of a combination of a
4 state and a federal agency. They're the agency
5 charged with enforcement of the Clean Air Act.
6 And they do process the air quality permits that
7 would be needed for this project.

8 Then, of course, as I mentioned before,
9 we have the various state agencies, the Fish and
10 Game, the Air Resources Board and the Regional
11 Water Quality Control Board which is also very
12 involved in water issues, water supply, water
13 quality issues.

14 And as I mentioned, also the federal
15 agencies. EPA being the big one, but also Fish
16 and Wildlife and Army Corps of Engineers, which
17 both of those agencies are primarily involved in
18 the Endangered Species Act, species issues, things
19 like that, plants and animals.

20 Our process, the Energy Commission's
21 process, is what we call a CEQA-equivalent
22 process. CEQA being the California Environmental
23 Quality Act. It was a law passed in the early
24 '70s at a time when there was, I think, about 35
25 nuclear power plants proposed in the state. So it

1 was almost at the same time that the Act that
2 created the Energy Commission was passed.

3 And basically this lays out the laws
4 that we must follow in our environmental analysis.
5 The Energy Commission goes beyond your usual CEQA
6 review in that we also do an engineering analysis.
7 We have to determine whether the power plant can
8 plug into the electric system here without
9 overloading transmission lines; whether there's a
10 sufficient amount of natural gas to serve the
11 power plant, things like that.

12 Similar to any type of CEQA process we
13 do have workshops and hearings. We'll be holding
14 a series of workshops over the next 12 months or
15 so, 11 months. Some will be here; some will be in
16 Sacramento.

17 Our workshops tend to be very technical
18 in nature, and for the average public it can be a
19 struggle to try to keep up because they're very
20 deep technical issues. We still welcome the
21 public and encourage you to show up. And we'll
22 take the time to explain technical issues if you
23 want it, but I just wanted to sort of have you be
24 forewarned that they can be very technical in
25 nature. And if you feel lost, you know, you won't

1 be alone.

2 We produce various documents. The first
3 one that we'll be putting out as far as the
4 evaluation of this project will be the preliminary
5 staff assessment. We call it the PSA. That's the
6 equivalent of a draft environmental impact report
7 under CEQA. So it will be the staff's sort of
8 first cut at our analysis of the potential impacts
9 that this project would create. And then the
10 appropriate mitigation, as we call it, which is
11 the things that we do to get impacts back down to
12 an acceptable level.

13 We'll put that document out. We'll have
14 workshops on it so people can get a chance to ask
15 questions; give us input about the conclusions,
16 the preliminary conclusions that we've reached.

17 Then we'll consider all the comments we
18 get, any new evidence that comes in. Maybe we'll
19 do some additional analysis based on those
20 comments, new evidence. And then we'll put out
21 our final document, the final staff assessment.
22 The equivalent, again, of a final EIR,
23 environmental impact report.

24 And that is more or less our
25 recommendation that goes to the Committee. It

1 says and we will recommend whether to approve or
2 disapprove the project.

3 Following that, the Hearing Officer and
4 the Committee will produce the Presiding Member's
5 Proposed Decision. That, once again, gets
6 circulated for comment. Once again it will be a
7 public process where people come in and comment
8 and ask questions about the proposed decision.

9 And then finally about 10 or 11 months
10 from now, if things go smoothly, we'll get the
11 Commissioners' decision.

12 Our analysis covers many areas. As I
13 recall there's about 25 of them up there. You can
14 read them on -- the environmental ones on the
15 left, and the engineering ones on the right.

16 For this project we anticipate that air
17 quality will be a fairly major issue, whereas some
18 of the other ones that are major in other areas
19 may not be as big an issue here, such as
20 biological resources.

21 We have sort of a three-step licensing
22 process. The first thing that happens when an
23 application comes in, we call our applications
24 AFCs, application for certification. The first
25 thing we do is we look through them and see if

1 they meet the minimum requirements for the
2 Commission to be able to accept the application as
3 complete. We call that data adequacy.

4 To Turlock Irrigation District's credit
5 they're one of the very few projects that were
6 determined to be data adequate in the statutory
7 time that we first get to make that determination.
8 Almost every other project that I've worked on,
9 they didn't get data adequate the first round. We
10 had to get considerably more information from them
11 before they became data adequate. I think that's
12 a reflection really of the high quality of this
13 application, that it became data adequate in the
14 first round.

15 Once the Commission accepts the AFC as
16 data adequate we go into our discovery phase and
17 our analysis. One of the first things we do is
18 staff reviews the AFC on a deeper level and
19 determines whether or not it has the information
20 they need. It usually doesn't, so then we produce
21 what we call data requests. I have a copy of our
22 first round of data requests out on the table
23 there. Again, very technical. We're getting that
24 information that we need to complete our analysis.

25 More or less, the data adequacy was the

1 determination that we can begin our analysis. And
2 then with data requests and the data responses
3 that we'll get back, all of which will be public,
4 all will be available on our website and so forth,
5 that will be sort of our information exchange when
6 we get the final bits of information we need to
7 complete our analysis.

8 Again, like I said, we'll hold workshops
9 throughout that process. Anytime where we feel
10 like we're making, or involved in discussions with
11 the applicant that are sort of negotiating, we
12 want that to be a public process, so there will be
13 publicly noticed workshops, usually 10 to 14 days
14 in advance; we'll get a notice out.

15 Later I'll explain how you can get
16 copies of those notices. The easiest way is, if
17 you have access to the internet, is you can
18 subscribe to our website. And then anything that
19 changes on that website, whether it's a notice for
20 a hearing or workshop, whatever, you'll get an
21 email notice of that, and then you'll get the
22 actual notice, so you'll know where it will be,
23 when it will be, and so forth, and contacts for
24 people to call if you have any questions.

25 Then after we've completed our PSA and

1 FSA and all the workshops, again like I explained,
2 it will go into the evidentiary hearings and into
3 the decision. That's what we call the
4 adjudicatory side of this proceeding. It's more
5 or less a courtroom-like atmosphere, less formal
6 than most courtrooms, but it is -- that part will
7 be run by Stan and the Committee. And it is more
8 or less where they get everything on the public
9 record, which is the body of evidence that the
10 Commission will use to make their decision.

11 Some of the key points of our analysis
12 that we essentially have two main areas where we
13 do our analysis. One is we examine whether the
14 project would conform to all the applicable laws,
15 ordinances, regulations and standards that are
16 established for power plant development. We call
17 those collectively LORS.

18 Laws, ordinances and regulations are
19 pretty straightforward. They're basically laws
20 that are on the books on the federal, state or
21 local level.

22 Standards can often be things like an
23 architectural society or engineering society might
24 develop building standards, codes, things like
25 that. So, we have established areas of LORS for

1 almost every one of those 25 areas that I showed
2 you earlier. And our staff will determine, even
3 though we have the jurisdiction over it, we would
4 determine whether or not it would conform, for
5 instance, with the Stanislaus County Planning
6 Department regulations; zoning and things like
7 that.

8 The other part is more on the CEQA side,
9 the environmental side, where we look at potential
10 impacts, both to the environment and to public
11 health and safety. That's, for instance, air
12 quality. And we try to determine what would be
13 the effect on the local air quality; whether or
14 not that would be a significant impact as
15 described under state law.

16 And then we come up with mitigation
17 measures, actions that can be taken to either
18 avoid, reduce or eliminate those impacts. And in
19 extreme cases, maybe compensate for impacts.

20 Once we have made that analysis then we
21 come up with what we call our conditions of
22 certification, which more or less things that are
23 mandated would be mandated after the Commission
24 approves the decision on the applicant, things
25 that they must do through the development and

1 operation of the power plant to insure that there
2 will be no impact to the environment or public
3 safety.

4 As you will see, we are going to
5 emphasize the public process quite a bit
6 throughout this. I explained before that all the
7 notices for all our workshops and hearings will
8 have a 10- to 15-day notice in advance. We're
9 developing mailing lists already.

10 The agencies and people who want to be
11 involved, there's a sign-up sheet out there that
12 if you want to make sure that you can get the
13 notices mailed to you, you can sign that and check
14 the box for it so you'll be added to our mailing
15 list for that.

16 We have another area of analysis which
17 we call analysis of disproportionate impacts. You
18 also hear another term called environmental
19 justice on this. It's in 11 technical areas,
20 notably those involved with public health.

21 And what we do there is we look and see
22 if we have any potentially significant impacts.
23 Again, we develop this criteria for what would
24 make an impact significant or not. If we do
25 determine that we have significant unmitigated

1 adverse impacts, more or less something bad that's
2 going to happen that we don't think we can fix and
3 get down to a low enough level acceptable, if we
4 have that, then we look at the various populations
5 that it will affect.

6 If we believe that it will
7 disproportionately affect one population over
8 another, and that's usually associated with either
9 low-income or minority populations, then we do
10 another level of analysis, which is what I said is
11 our environmental justice analysis.

12 And that can be a basis for dis-
13 approving the project, if we feel that it would
14 have a disproportionate effect on a certain
15 community.

16 Several places where you can obtain the
17 documents. Like I said, my business card is out
18 there. Feel free to give me a call, drop an
19 email. We can get you copies. We do have the
20 actual application for certification on file in
21 the Turlock City Library and in the Stanislaus
22 County Library in Modesto. We also have them, of
23 course, at the Energy Commission and at various
24 other libraries around the state, Los Angeles, San
25 Francisco.

1 And I strongly encourage everybody, if
2 you have internet access, to visit our website for
3 the case. There's the address for it. It's very
4 useful. You'll find almost all the documents that
5 either the applicant or the staff produces will
6 get there. Sometimes it takes a little time to
7 get them up there, from the date they're actually
8 produced.

9 For instance, I got the data requests
10 out late yesterday, but I doubt they'll get on the
11 website before probably mid-week next week.

12 Then we also have, at the Energy
13 Commission, what we call our dockets unit. And
14 they are more or less a document storage place
15 where you can go in and say, I want to see this
16 document for this case, and they can provide you
17 with a copy of it.

18 Again, the contacts are up there again.
19 Feel free to give me a call. I'm sure Bob has a
20 similar open-door policy. He'll probably be
21 taking over the project within the next couple
22 weeks or so. Similarly with the Public Adviser,
23 Roberta Mendonca or Grace Bos. They have numbers
24 down there. And then, of course, we have a number
25 that you can reach Stan, as well.

1 One of the first things we produce is
2 called our issues identification report. There is
3 a copy of it out there on the table outside. The
4 purpose of that is to inform everybody of what
5 staff feels could be the potentially major issues
6 in the case.

7 We do this so that we can get a focus on
8 it very early in the process and try to work them
9 out. Again, I can say that the issues we
10 identified for this project are comparatively
11 minor. Again, because of the high quality of the
12 AFC. I think it's a good location. A lot of
13 things have worked out to where, from a relative
14 point of view, compared to other power plants, we
15 think that there's relatively few problems with
16 this.

17 I mentioned before some of the criteria.
18 We use that both to determine what's a major
19 issue, but we also use it to determine what is a
20 significant impact.

21 Anything that's difficult or impossible
22 to mitigate obviously would be a significant
23 impact. Noncompliance with those various laws,
24 ordinances, regulations and standards that I
25 talked about earlier. In other words, for

1 instance, you might have a city ordinance that
2 specifies the maximum height of a structure in a
3 given area. If the height of say the power plant
4 stacks exceeded that, we would say that would be
5 noncompliance, or they would have to get a
6 variance. In other words, that the City would
7 agree that this might be a particular case where
8 they could exceed the requirements of that
9 ordinance.

10 The other things that we put on issues
11 are things that are contentious, public concerns
12 about an issue, and the things that might affect
13 our schedule, how long it will take to complete.

14 For this project we really only
15 identified two areas of concern, two major issues.
16 And, again, I think that's a reflection of this
17 quality of the project.

18 In air quality this project happens to
19 be within the San Joaquin Valley Air Pollution
20 Control District. And that oversees the San
21 Joaquin Valley air basin. That basin, as you are
22 probably aware, is out of compliance with all
23 federal and state, almost all federal and state
24 air quality standards.

25 Because of that we place an extra -- not

1 only us, but the USEPA and a lot of other
2 agencies, sort of place extra emphasis on the air
3 quality regulation. And because of the out-of-
4 attainment status of this District, there's been
5 some question raised by USEPA over the mitigation
6 that's being proposed for this project.

7 And I should say it's not specifically
8 for this project; it's a general thing in the Air
9 District. Basically because of the basin's lack
10 of progress towards meeting attainment, they have
11 questioned the validity of some of the mitigation.
12 Again, not for this project specifically, but in
13 general for the basin.

14 The way that most power plant developers
15 mitigate the air quality impacts is they purchase
16 what is called emission reduction credits, ERCs.
17 This is a market that was created about ten years
18 ago wherein industries do things to reduce their
19 emissions, their pollution from their plants, and
20 earn these credits. And then they can turn around
21 and sell them to industries that want to develop
22 new power plants or other industrial applications.

23 And that would, because of this market-
24 based system, eventually, anyway, result in a
25 reduced amount of emissions throughout the air

1 basin.

2 The other issue that we've identified as
3 potentially a major issue is in the land use,
4 again relatively minor. We have an issue here
5 where we have a site now that's all being used for
6 agricultural. Much of it will still maintain
7 agriculture, or will be returned to agricultural
8 after it's in operation, but the actual power
9 plant site, itself, would be a permanent
10 conversion from an agricultural to a
11 nonagricultural application.

12 Because that plot out there is zoned
13 prime farmland, that does create a significant
14 impact under our criteria. We have identified
15 mitigation that can get that impact to an
16 acceptable level. It's generally participation in
17 a farmland trust, which more or less reserves
18 other areas in perpetuity that will maintain
19 farmland.

20 That's pretty much it for the two major
21 issues that we've identified.

22 I do want to emphasize, you'll see in my
23 issues identification report out there, if you
24 read it, it may be somewhat alarming, but I wanted
25 to emphasize that it is just a general issue on

1 these ERCs. We have to kind of really check
2 thoroughly where they came from, how they were
3 developed in the first place, make sure that they
4 were tracked over the years, that they were
5 included in the various inventories under the Air
6 District's planning and so forth.

7 Just to make sure that we have a good
8 comfort level that the use of these ERCs will
9 result in a reduction of emissions in this air
10 basin.

11 Last thing that I was going to talk
12 about is our staff's proposed schedule. This
13 again was in a --

14 HEARING OFFICER VALKOSKY: Mr. Trask,
15 let's --

16 MR. TRASK: Stan, do you want to wait on
17 that one?

18 HEARING OFFICER VALKOSKY: No, let's
19 defer the scheduling discussion until after --

20 MR. TRASK: Okay.

21 HEARING OFFICER VALKOSKY: -- the
22 general presentations.

23 MR. TRASK: Sounds good. Let's see, how
24 do I get out of here.

25 HEARING OFFICER VALKOSKY: Ms. Bos?

1 MS. BOS: Yes, I will. I just need to
2 give a message to the Commissioner.

3 PRESIDING MEMBER BOYD: While Grace is
4 going to the microphone I want to apologize to
5 Grace because I introduced her earlier today as
6 Helen. And I see her every day, practically, at
7 work. It's just that I had lunch with a group
8 here earlier today and I met a lady whose name was
9 Helen, and it stuck in my mind. So, I apologize.

10 MS. BOS: I like Helen. Actually if I
11 told you my real Dutch name, which is
12 (indiscernible) you would never be able to
13 pronounce it.

14 PRESIDING MEMBER BOYD: You're right.

15 (Laughter.)

16 MS. BOS: I don't want to turn my back
17 to you, but anyway, I am Grace. And I am the
18 Associate Public Adviser. And welcome. I see
19 quite a few members of the public and other
20 interested groups. I know we have some people
21 from the City here that I met earlier on the bus.

22 The Public Adviser is here to assist the
23 public, whether you want to participate formally
24 or informally. And there is a difference between
25 participating formally or informally.

1 Informally means you come to the
2 meetings; you can call us; you can ask us
3 questions. But the Public Adviser cannot advocate
4 on your behalf. We cannot say, well, we're in
5 favor of the project or we're not in favor of the
6 project. We just help you with paperwork, answer
7 your questions.

8 Now, if you're a formal intervenor,
9 however, a formal participant and intervenor, and
10 I can give you paperwork, that means then that you
11 have all the rights that any other party does.
12 That means you can call your own witnesses; you
13 can cross-examine witnesses when the actual
14 hearings come about. You will be notified of
15 every single event that goes on. You will get
16 copies of all the paperwork that the applicants
17 get. But it's a lot of work. It's a lot of work.

18 But, anyway, if you're interested in
19 being an intervenor, you can talk to me and I will
20 be glad to assist you there.

21 If you just are interested in coming and
22 participating, wanting to know when the meetings
23 are, there is a sign-in sheet in the front. Fill
24 it out and -- or if you have an email, we'll put
25 you on our mail list, so that's not a problem.

1 How we start, at least the Public
2 Adviser's Office, we do what we call scoping. We
3 find out where the local libraries are. We find
4 out where the schools are. We place a little ad
5 in -- well, the Hearing Office actually places an
6 ad in the newspaper. And from that we generate,
7 as a rule, phone calls.

8 Now, I have to say on this project we
9 have not received a lot of phone calls. But
10 anyway, we did send an application for
11 certification, what we call an AFC, a big
12 application from the applicant to the local
13 library. And then we follow it up with a phone
14 call, because we do do a card. We send a card to
15 them and we ask the library to return it to us so
16 we make sure that they have received it, so you
17 can go to the library and study the whole project
18 for yourself.

19 I wanted to give you our website right
20 here. We will also docket material for you.
21 Let's say you're an intervenor and you think it is
22 too expensive for you to participate and do all
23 the paperwork yourself, the Hearing Office will
24 decide if this is legitimate. And then we will do
25 all the docketing and make all the copies for you.

1 But we do have our docket unit.

2 Again, the meetings are publicly
3 noticed. And anybody can participate. And,
4 again, when the hearings come, you can still
5 participate. You notice I gave Commissioner Boyd
6 the blue cards, and he will just call on you to
7 speak. But it's not as formal as if you're an
8 intervenor.

9 So here you have some of this in writing
10 on informal participation. And then a formal
11 party.

12 Now, in order to be an intervenor,
13 however, you must file certain paperwork. And I
14 can certainly help you with that. And we can help
15 you how to best present your case without
16 advocating, again.

17 Anyone can become an intervenor. What's
18 the best time to intervene? I can explain all
19 that to you, because I don't want to take all that
20 time tonight. And I already explained what your
21 responsibilities are. Here is a public petition
22 form, and I have actually, I'll show it to you, I
23 brought one -- I have a guide, Public Adviser's
24 guide. And it'll have -- you see how big this is.

25 You can study that if you want to be an

1 intervenor. And there are some pages in here that
2 you fill out and you'll become a formal
3 intervenor.

4 So this is again the benefit of being an
5 intervenor. You receive all the filings in the
6 case including the original application. You
7 receive all the notices of the hearings and the
8 workshops. You can fully participate in the
9 process. You file all your documents just like
10 anyone else in the case has to. You have to
11 present evidence and witnesses at formal hearings.
12 And you may also cross-examine witnesses. Oops,
13 that was our website, but I can give you that
14 again.

15 Please, I'll be around. If you want to
16 talk to me I'll be here till the end of the
17 meeting. Again, there's paperwork in the front.
18 And any questions, I'll be around. Thank you.

19 HEARING OFFICER VALKOSKY: Thank you,
20 Ms. Bos. Now I'll turn to applicant for their
21 explanation of their plans for development of the
22 proposed project.

23 MR. BAYSINGER: Thank you, Stan. First,
24 I would like to introduce again Randy Fiorini,
25 President of the Board of Directors for Turlock

1 Irrigation District.

2 MR. FIORINI: Good afternoon,
3 Commissioner. On behalf of the Board of Directors
4 of the Turlock Irrigation District it's my
5 privilege to welcome you to Turlock. I want you
6 to know that the Board of Directors of the Turlock
7 Irrigation District stands squarely behind this
8 project. We feel it's of great benefit to the
9 local area and to the state.

10 Our staff has prepared a very
11 informative presentation. At this time I'd like
12 to call on our General Manager, Larry Weis, to
13 begin that presentation.

14 MR. WEIS: Thank you, Randy. I got a
15 little taste today of how the presentations go
16 with people behind you and people in front of you.
17 It's awkward to see everybody -- same place. But,
18 Commissioner Boyd, welcome; welcome to the Staff
19 of the CEC, and the public. Appreciate the great
20 turnout.

21 I want to real quickly run through an
22 overview of TID, and provide some background
23 information on the Turlock Irrigation District for
24 this hearing.

25 From a historical perspective Turlock

1 Irrigation District was the first irrigation
2 district in California, organized in 1887. The
3 first of four publicly owned irrigation districts
4 in California to retail electricity, and that's in
5 1923. In case you're curious, the other three are
6 Modesto, our neighbor to the north; Imperial,
7 Imperial Valley; and Merced Irrigation District to
8 the south.

9 We're governed by a five-member board of
10 directors. You met the President, Mr. Fiorini.
11 We have a water service area that comprises around
12 300-and-some square miles; and we have an electric
13 service area; and we have service area agreements
14 with Pacific Gas and Electric; and informally with
15 Modesto Irrigation District.

16 Our statistics, basically just some of
17 them. We can give an annual report to anybody who
18 would like one. It's also on our website. But we
19 have 417 full-time employee equivalents; 450,
20 including seasonal workers. Our 2003 budget is
21 \$158 million in revenue. In 2001 that was over
22 \$300 million with all the power issues going on.

23 A 655-square-mile service area
24 incorporating 13 communities and municipalities.
25 So, Turlock is the largest city. Ceres is

1 sneaking up and south Modesto. And so I'll show
2 you the service area map in a minute.

3 Two hundred and fifty miles of gravity-
4 fed irrigation canals. Extensive irrigation
5 system with 130 wells, 417 employees involved in
6 irrigation.

7 Sixty-five-hundred irrigated parcels
8 total 850,000 irrigated acres; 77,000 residential,
9 or electric customers. There's our transmission
10 miles of line and our distribution is at 1741
11 miles of distribution circuits.

12 Our service area, and I want to point
13 out the Walnut Energy Center is right there in the
14 middle where that star is. Over to the west we
15 have the West Side service area. This is a
16 service area that we're purchasing Pacific Gas and
17 Electric. And this is our historic electric
18 service area, this area in here. Virtually we go
19 all the way across the Central Valley, from the
20 foothills of Don Pedro Reservoir all the way
21 across to Santa Clara County line. I haven't
22 driven it all in one day, but it takes awhile to
23 get across.

24 Transmission issues, just to show how we
25 interplay within the west. We have some resources

1 up in the Boardman project in Oregon. Some coal
2 project. We are participants in the northern
3 California to Oregon intertie, through TANC,
4 Transmission Agency of Northern California. And
5 we are interconnected to WAPA at Tracy. And our
6 Wesley station is co-owned between TID and MID
7 here where we have transmission in and out of our
8 service area. And that's how we bring power in
9 and out and are connected to the grid,
10 transactions with ISO, et cetera, et cetera.

11 Our resource stack, show you how this
12 fits in. These are our existing resources in the
13 dark numbers here. We have 138 megawatts of hydro
14 at the Don Pedro project. We're a 68 percent
15 share of that with 31 percent going to Modesto
16 Irrigation District.

17 We have small hydro projects on our
18 canal systems that were put in in the '80s. And
19 we have existing intermediate plant which is the
20 Ama Power Plant in Ceres. It's a 50 megawatt
21 combustion turbine.

22 And then we have some peaking plants
23 that happen to be right next door to where you
24 took the tour today, our Walnut Power Plants, and
25 those are peaking turbines.

1 This new power plant, as Randy will go
2 through in a minute, will talk to you about the
3 location and how it integrates with that.

4 The Walnut Energy Center, showing that
5 resource 245 megawatts; 1876 gigawatt hours online
6 in 2006.

7 Our long-term purchases is the Boardman
8 project, which runs out in 2018; 56 megawatts of
9 coal-fired. Calpine's gas-fired at Sutter, 50
10 megawatts. Hetch-Hetchy, our relationship with
11 the City and County of San Francisco; that's 43
12 megawatts of hydro. Northern California Power
13 Agency, that's geothermal plants up in Lake
14 County; 8 megawatts. And WAPA, federal resource
15 off of the CVP of 3 megawatts.

16 How this plant figures into our long-
17 term planning needs. This is kind of a busy
18 chart, but basically the black line here which
19 goes up, and I might add this does not include our
20 new additions to the area of the West Side Power
21 Authority, which would jump this by about 20
22 megawatts, plus growth.

23 You can see when the Walnut Energy
24 Center comes online we end up long on resources
25 for a few years. And then we grow right into it,

1 as these other resources contractually drop off
2 the line.

3 That previous slide I showed you, we
4 have several resources that are contracted and
5 actually start dropping off, which is the need for
6 this resource.

7 Some short-term perspectives. I
8 mentioned the West Side Service Area acquisition,
9 which is not a part of this, but just background.
10 Our continued cooperation and work with Modesto
11 Irrigation District; we provide them transmission,
12 scheduling and some power supply.

13 We have a gas resource portfolio that we
14 current work with our existing generation on and
15 will continue to be progressive in that market.

16 We're involved in fiber and telecom,
17 like a lot of other electric utilities, exploring
18 how we better communicate our protection system
19 and our electric system throughout a pretty vast
20 service area.

21 Load control area. We expect to be
22 filing to operate our own load control area as our
23 existing IA with Pacific Gas and Electric does
24 expire in 2006 or 2008, excuse me.

25 Walnut Energy Center, you'll hear about

1 that in a minute. And West Side Transmission
2 project. This project will actually defer some of
3 this transmission need, but eventually we will
4 need some more transmission on the west side of
5 our service area.

6 And with that I'm going to turn it over
7 to Randy Baysinger who is our Assistant General
8 Manager of power generation.

9 MR. HARRIS: Mr. Valkosky, before we go
10 to Mr. Baysinger, I'm aware of at least one
11 elected official who would like to have some
12 remarks, but has another conflict. Could we take
13 him now and then allow Mr. Baysinger to go?

14 PRESIDING MEMBER BOYD: Would that be
15 Mr. Lazar?

16 MR. HARRIS: It would be.

17 PRESIDING MEMBER BOYD: All right.
18 That's fine with me. I had a note he'd like to be
19 the first public speaker, and he will be the first
20 public speaker.

21 MR. LAZAR: Thank you, Mr. Boyd. I'm
22 sorry, I have to go pick up my son at school. And
23 before I begin I --

24 PRESIDING MEMBER BOYD: Well, that's
25 even more important, so --

1 MR. LAZAR: I have two little guys that
2 have a flu and my wife can't get them, so he's
3 over at daycare and I want to make sure I pick him
4 up soon. But thank you very much for taking me a
5 little early.

6 Before I begin, I wanted to also share
7 Supervisor Tom Mayfield, his concerns and his
8 interest in this project. He had to leave to meet
9 with our new Assemblyman for the area. And, as
10 you know, it's very important to stay on a good
11 relationship with our State Legislature,
12 especially in this current budget climate.

13 PRESIDING MEMBER BOYD: I understand
14 that very well.

15 (Laughter.)

16 MR. LAZAR: Supervisor Mayfield wanted
17 me to tell you that he's very much in support of
18 this, and please feel free to contact him if he
19 can be of any help in that respect.

20 PRESIDING MEMBER BOYD: Thank you.

21 MR. LAZAR: In any event, Mayor Curt
22 Andre and the City Council wanted me to share
23 their interest and strong support of this project.
24 We've had many good years of working with the TID
25 and are very interested in seeing this project go

1 through, particularly with respect to the benefits
2 to our water treatment facility and our new plans
3 with that facility.

4 We also believe and know that it will
5 benefit our economy, help our industry and our
6 future. And so I just wanted to again welcome you
7 and tell you of our support. And feel free to
8 contact us or City Staff for any assistance we
9 might be able to provide you or your staff.

10 Thank you very much.

11 PRESIDING MEMBER BOYD: Thank you very
12 much.

13 MR. LAZAR: Good luck.

14 PRESIDING MEMBER BOYD: I'm actually
15 more familiar with the City of Turlock than you
16 would presume. My step-mother lives in a care
17 facility not far from here.

18 MR. LAZAR: Thank you.

19 HEARING OFFICER VALKOSKY: With that,
20 Mr. Baysinger.

21 MR. BAYSINGER: Commissioner, staff,
22 public, welcome to Turlock. I'm here to give you
23 an overview of the project, itself. A lot of it
24 you saw and heard about out on our bus trip this
25 morning, and in the AFC we filed.

1 This is again an aerial photo that
2 you've probably seen a hundred times now. What is
3 our need for the project? We have a native load
4 that is growing anywhere from 2 percent to 5
5 percent a year. This is a very rapidly growing
6 are of the San Joaquin Valley and of the state,
7 itself.

8 Typically in the last several years the
9 Valley has been growing at a faster rate than the
10 Bay Area or the L.A. Area, and we see that
11 certainly in a number of applications for people
12 coming in to provide new meters for new housing,
13 subdivisions and everything else.

14 Mr. Weis talked about the 200 square
15 mile service territory expansion that we're
16 involved in before the CPUC right now. That
17 process is virtually complete. It is in the hands
18 of the Administrative Law Judge there and we're
19 awaiting her decision at anytime before it goes to
20 the full Commission.

21 We have several long-term power
22 contracts that will be expiring in the 2005, '6,
23 '7 timeframe that this project is intended to come
24 online to replace those contracts that were signed
25 some 20 years ago or 30 years ago, and they're

1 coming due now.

2 We are looking at also either forming
3 our own control area or joining another control
4 area. In any event, to be a member of a control
5 area you need to provide power ancillary services
6 and this plant will go a long way to help us
7 provide those services that would be required of
8 us to be a member of that control area.

9 And then the final need is to provide
10 local generation and decrease reliance on the
11 transmission system. TID is a current net buyer
12 of electricity. In an average year, and for us
13 average is average water year, because we rely
14 heavily on hydro, we would probably generate some
15 60 percent of our load and import 40 percent.
16 This will help to reverse that tide and help us to
17 be a little more independent. Have generation
18 local so we rely less on the transmission system.

19 You're familiar with the gridlock on
20 some of the transmission systems that are out
21 there now. We're trying to help reduce that by
22 providing the power for our customers locally.

23 As far as the project selection
24 criteria, for the power block, itself, we looked
25 at and studied ten different power blocks and we

1 settled on the 2-by-1 7EA cycle. It's a little
2 less efficient than the 7F technology that you're
3 probably seeing at a number of your other projects
4 before you.

5 The reason for that is one of our main
6 criteria is reliability. If we went to a 7F it
7 would be a one-on-one type of a plant, and you
8 lose one unit you lose them both. Two-on-one we
9 could have a turbine trip and still keep half the
10 plant running. So reliability is very important
11 to us, particularly in the control area and the
12 local generation. So that's why we selected that
13 cycle.

14 As far as the site selection, we
15 screened 11 sites initially, all of them in our
16 service territory, because that was one of our
17 criteria, to be inside our own subtransmission
18 system.

19 We selected five for evaluation and
20 those five are what are described in the AFC in
21 the alternative sections, with the Walnut Energy
22 site that we went out to today as being the
23 selected site for our proposal.

24 Project facts that you've probably seen
25 in our handouts today and on the site is a 250

1 megawatt, natural gas fired, combined cycle
2 facility with two 7EA gas turbines, and one steam
3 turbine. We are not duct firing as some of the
4 other projects have done, as on the merchant
5 plants. We don't have a need for duct firing.
6 It's just a straight gas fired.

7 A 115 kV and a 69 kV switchyard. That's
8 a little bit different. The reason for that is
9 the WECC requires any area that has a double
10 contingency loss to study for low voltage
11 condition. And in the case you saw, the big
12 switchyard we have out there, if we were to lose
13 two of the 230kV lines simultaneously we would
14 experience a small voltage reduction problem on
15 our 69 kV system.

16 This project really works the best
17 economically if everything is fed into our 115 kV
18 system. To satisfy the WECC requirement of a low
19 voltage condition under a double contingency
20 problem, we are putting one unit on a 69 kV buss.
21 That's the reason for the dual switchyard.

22 We are proposing and will put in
23 selective catalytic reduction for NOx control, and
24 a CO catalyst to meet the required BACT
25 requirements for the San Joaquin Valley Air

1 Pollution Control District.

2 We will have continuous emission
3 monitoring and recording systems. This means that
4 every second our emissions are recorded and
5 monitored and calibrated and it is also sent to
6 the APCD so that they can see at anytime what
7 we're doing. In our existing power plants they
8 can dial up and see what our plants are doing. So
9 a full disclosure and no hiding behind faulty
10 meters. They can see everything you're doing.

11 We propose to use reclaimed water from
12 the City of Turlock wastewater treatment plant.
13 They are in the process of putting in a tertiary
14 treatment system, a Title 22 system. They're in
15 the environmental impact phase right now. And
16 their timeline shows that they will be online by
17 May of 2006 or sooner.

18 And as you see in our schedule, we're
19 proposing to be online in January 1 of 2006 or
20 sooner. So we have a period of time possibly that
21 we might be ready and they're not. And you see in
22 our AFC we have proposed a bridge supply to carry
23 us over until the City is ready.

24 But, in any event, we promise, and fully
25 intend to use reclaimed water whenever the City

1 has it ready for us.

2 In light of that we are proposing a wet
3 cooling tower to use the reclaimed water. So we
4 would have a five cell cooling tower onsite for
5 that.

6 Project layout. You've seen this a
7 couple times, but maybe this is a little better in
8 color. We designed the plant with some aesthetics
9 in mind, as I pointed out at the site visit.

10 The gas turbines are on the outside with
11 HRSGs coming together, so that the two stacks
12 appear as one from a distance. And they blend in
13 with the grain silos in the background.

14 We have the two switchyards here with
15 the 115 kV line going out the Washington Road and
16 the 69 kV line going out to the property boundary
17 where there's a 69 kV line existing. So no
18 transmission lines are built that leave actually
19 even the property, other than crossing the street
20 of Washington is the only offsite piece of
21 transmission line. Everything else is onsite.

22 We have a cooling tower here. It's
23 aligned to minimize the plume by aligning it with
24 the predominant direction of the wind, which is
25 from northwest to southeast.

1 We have a stormwater retention pond
2 here. And in addition to using the reclaimed
3 water, we are a zero discharge facility. All
4 stormwater will be collect onsite and taken care
5 of onsite.

6 Our wastewater that will come from
7 cycling water in the cooling tower and all plant
8 processed waste will be funneled over to this area
9 which is a zero discharge facility, ZLD system.
10 And all the water will be either reclaimed and
11 reused down to a salt cake, which would then be
12 transmitted to a landfill and disposed of that
13 way. So none of our processed wastewater leaves
14 the site. We take care of it onsite. And none of
15 the stormwater leaves the site at all; it gets
16 taken care of onsite.

17 We have gone over the linear facilities
18 earlier today. We have the 1900 feet of 115 kV
19 line that goes to Washington Road; the 670 feet of
20 line that goes to the southern boundary; 3.6 miles
21 of the natural gasline that goes down to Bradbury
22 Road that you saw that went along the railroad
23 tracks down Commons Road to Bradbury. PG&E would
24 be building that, and tie into their line.

25 There's 1.6 miles of pipeline for the

1 recycled water from the wastewater treatment plant
2 to our site. And then a .9 mile pipeline, a
3 separate pipeline for the potable water, which
4 would be for our bridge supply, and also it would
5 be for miscellaneous plant uses after the fact,
6 for washing down the plant, for showers and
7 whatnot. And for our fire protection system.

8 Here's a map of the linears which you've
9 seen in your handout. The plant site is this
10 little area here. And so you can see the linears,
11 all pretty close. The waterline to the treatment
12 plant; gasline all the way down to Bradbury; and
13 then the transmission lines you barely can see
14 because they're all pretty well self contained.

15 Environmental considerations that we
16 would like to point out. That we are located in
17 an industrial area. This whole site is zoned
18 industrial by the City of Turlock. We feel that
19 there are no significant impacts to the public
20 health and safety or the environment. Of course,
21 that is your decision to make.

22 The emission reduction credits that we
23 have obtained and purchased for this plant,
24 they've all been obtained. And this plant is
25 fully offset. If you notice, from the AFC that we

1 have an existing power plant that kind of is
2 kitty-corner from this plant. So there were no
3 trigger levels that we had a grace period to meet,
4 that we had to fully offset from zero. And so we
5 had done that. All the credits we have bought are
6 post-1990, so we think we're okay there.

7 The project will use recycled water, and
8 no wastewater discharge from the site, as I've
9 mentioned. The site layout was done with visual
10 considerations in mind, as putting the stacks
11 back-to-back, aligning the cooling tower to
12 minimize the plume.

13 And we have not discovered any
14 biological issues to date in any of our surveys.
15 We do still have the spring surveys to confirm
16 that.

17 And our schedule is we have filed the
18 AFC in November and received data adequacy in
19 December. And we really appreciate that very
20 much.

21 We hope to receive certification in the
22 fourth quarter of 2003 and start construction
23 almost immediately afterwards in the first quarter
24 of 2004, with a targeted commercial date of
25 January 1 of 2006.

1 And that's, I believe, it. Yes. More
2 than happy to answer any questions.

3 HEARING OFFICER VALKOSKY: Does that
4 conclude applicant's presentation?

5 MR. BAYSINGER: Yes, that concludes
6 applicant's presentation.

7 HEARING OFFICER VALKOSKY: Thank you.
8 Before we turn to the scheduling discussion, I
9 think we'll, announced before, like to hear from
10 any members of the public who wish to comment or
11 raise any questions on the material they have
12 heard so far.

13 I would ask any members of the public,
14 please approach the microphone up here on the
15 stand; pronounce and spell your name for the
16 record. The gentleman at the end here is the
17 reporter and it just helps in creating an accurate
18 record if we have the spelling on the record.

19 PRESIDING MEMBER BOYD: The first card I
20 have is for a Sharon Silva with the Turlock
21 Chamber of Commerce.

22 MS. SILVA: Good afternoon. I am Sharon
23 Silva and I'm the President and CEO for the
24 Turlock Chamber of Commerce. And it is a pleasure
25 to have you here.

1 The Turlock Chamber of Commerce is a
2 legislative voice as well as a business advocate
3 for members by promoting positive environment
4 through active participation in economic
5 development.

6 The relationship between the Turlock
7 Chamber of Commerce and TID has been a most
8 positive partnership. The business community here
9 in our City has benefitted for many years by
10 affordable rates and reliable service that TID has
11 provided.

12 The Turlock Irrigation District has had
13 some of the lowest rates in the State of
14 California, which bring Turlock to the forefront
15 in retention of existing businesses and in the
16 development of new businesses.

17 The completion of this Walnut project is
18 a step to insure Turlock to maintain a competitive
19 advantage of an economic growth within our
20 community, and to enhance our workforce. So we
21 really support this project that is coming in.
22 And we hope that it gets all the consideration for
23 passage.

24 Thank you.

25 PRESIDING MEMBER BOYD: Thank you very

1 much. Jan Ennenga, Manufacturers Council of the
2 Central Valley. How did I do?

3 MS. ENNENGA: You did excellent.

4 (Laughter.)

5 MS. ENNENGA: I thought I'd give you a
6 little help there.

7 PRESIDING MEMBER BOYD: Yes, you did
8 help me phonetically on that.

9 MS. ENNENGA: Good afternoon,
10 Commissioners. I'm Jan Marie Ennenga, Executive
11 Director of the Manufacturers Council of the
12 Central Valley.

13 Headquartered in Modesto, the Council
14 represents a variety of manufacturing interests
15 located in California's Central Valley. The
16 majority of our members are involved in food
17 processing related activities, both year round and
18 on a seasonal basis.

19 Those members not involved in food
20 processing manufacture automotive parts,
21 containers of various kinds, and other vital
22 components distributed nationally and
23 internationally. Several of our members are also
24 involved in warehousing and distribution.

25 We represent manufacturing companies

1 which directly employ more than 50,000 San Joaquin
2 Valley residents at approximately 75 facilities,
3 and create an additional 150,000 related jobs
4 using the direct effect employee multiplier found
5 in the Milkin Institute's August 2002 report,
6 "Manufacturing Matters, California's Performance
7 and Prospects."

8 Several of our members are located
9 within the existing Turlock Irrigation District
10 service area, and still others lie just outside
11 the boundaries, in areas proposed for future
12 service. The Turlock area has done an excellent
13 job in attracting a variety of manufacturing
14 industries, due in a large part to the ability to
15 supply reliable and affordable electrical service
16 provided by TID.

17 TID has a reputation for planning for
18 the future and their formation as California's
19 first publicly-owned irrigation district provides
20 evidence of this. In looking to the future TID
21 has determined the need for a local power
22 generation facility and has narrowed the
23 alternatives down to one, the proposal before you
24 today.

25 The proposed Walnut Energy Center will

1 allow TID to reduce its reliance on outside power
2 generation sources which translates into more
3 dependent service for local customers. This also
4 helps insulate customers from the volatility of
5 California's energy market, both from a supply and
6 a price perspective.

7 Not only does this give our member
8 companies a competitive edge economically, it also
9 minimizes the risks associated with interruption
10 of service. It is critical for manufacturing
11 companies, especially those processing seasonal
12 and perishable commodities, to have a reliable
13 energy supply, particularly with the intense
14 competition in today's global marketplace. A blip
15 in the power supply can translate into an
16 irreparable loss of market share.

17 We urge your careful consideration of
18 this project, and support moving it forward to the
19 next step in the review process.

20 Thank you for the opportunity to comment
21 this afternoon. And if you have any questions I'd
22 be happy to answer them.

23 PRESIDING MEMBER BOYD: Thank you for
24 your comments.

25 MS. ENNENGA: Thank you.

1 PRESIDING MEMBER BOYD: Ken Gomes,
2 Emmanuel Medical Center.

3 MR. GOMES: Good afternoon. My name is
4 Ken Gomes, Director of Facilities Services at
5 Emmanuel Medical Center. And I'll keep my
6 comments brief.

7 We've enjoyed a great relationship with
8 TID. We're one of the largest employers in
9 Turlock. We've been around for 87 years. And
10 they have helped us work together. They've given
11 us reliable power, affordable power, and been a
12 very good business associate in reducing some of
13 our energy over the last few years. We have
14 reduced energy by 20 percent with the help of TID.

15 We support their efforts to continue
16 providing power to us that's reliable and safe.
17 So we'd just ask you to approve this.

18 Thank you.

19 PRESIDING MEMBER BOYD: Thank you. Paul
20 Fanelli, Patterson Frozen Foods. You might want
21 to get on the road before the fog comes back down
22 over --

23 MR. FANELLI: Let's hope not. Good
24 afternoon, Commissioner. My name is Paul Fanelli.
25 I'm the Vice President of Human Resources for

1 Patterson Frozen Foods.

2 I'm here today to make a brief statement
3 of support for the construction of this new power
4 generation plant at the Walnut Energy Center.

5 We're a processor of frozen vegetables
6 and fruits. We have over 700 local employees,
7 almost a third of whom live within the Turlock
8 Irrigation District current service area.

9 We purchase produce from over 40 local
10 growers. And our facility uses in excess of 3700
11 megawatts of power per year at a daily peak load
12 demand of about 10 megawatts.

13 We are currently served by PG&E for our
14 electricity. However, under a proceeding
15 currently before the California Public Utilities
16 Commission our plant, another one-third of our
17 employees, and many of our independent growers
18 fall within the boundaries of the proposed
19 expanded service area for TID. Therefore, we're
20 very interested in this new generation plant. And
21 we strongly support its construction.

22 Thanks to our state's continuing energy
23 crisis and the resulting upward cost spiral for
24 electricity, it's become painfully obvious that
25 reliable, low cost, clean, local generation

1 facilities for electricity are a lifeline for the
2 future competitive operation of our business and
3 planned growth in this area.

4 This additional local generation plant
5 will increase TID's service area's independence
6 from outside sources for generation; help TID
7 customers avoid rolling blackouts by giving them
8 more control over local generation versus out-of-
9 area contracts or purchases; help insulate the
10 customer base from some of the market-based
11 pricing shocks due to the volatility of the spot
12 market pricing for purchased electricity. And do
13 so in a way that takes into consideration the need
14 for clean, safe, reliable generation.

15 We encourage the Commission, after a
16 thorough review of this project, to support it and
17 expedite approval of it.

18 Thank you very much for your time.

19 PRESIDING MEMBER BOYD: Thank you for
20 your comments. Carlos Estacio, III, Farm Bureau.

21 MR. ESTACIO: Good afternoon,
22 Commissioners and staff. I'm Carlos Estacio,
23 President of the Stanislaus County Farm Bureau, an
24 organization that represents over 3000 members.

25 I'd like to start off by saying our

1 forefathers had a vision of putting together, in
2 my mind, one of the best water districts in
3 California, if not the country. Over 100 years
4 later TID continues with that vision with the
5 Walnut Energy Center.

6 The Stanislaus County Farm Bureau
7 supports this project. TID has always been a
8 reliable source of power and water for the farming
9 community. As a dairy owner and President of the
10 Farm Bureau, I'm in support of any project that
11 will allow TID more independence to continue to
12 serve their customers as they have over the 100
13 years.

14 And with the current milk prices that
15 I'm currently receiving for my milk, I'm so glad
16 that I'm in this district and not somewhere else,
17 you know, paying three times the amount of
18 electricity than I currently do.

19 Stanislaus County Farm Bureau has no
20 objection to the project location. The land
21 selected for the Walnut Energy Center is an
22 appropriate choice, due to the fact that it has
23 been zoned industrial for over ten years.

24 TID has done a great job in the past and
25 I feel they're going to continue to do a great job

1 in the future.

2 I thank you for the opportunity to speak
3 in favor of this project. Thank you.

4 PRESIDING MEMBER BOYD: Thank you for
5 your comments. Gary Plummer, Modesto Chamber.

6 MR. PLUMMER: Thank you, Commissioner.
7 My name is Gary Plummer; it's P-l-u-m-m-e-r. I am
8 the President of the Modesto Chamber of Commerce.
9 We represent about 1500 members.

10 Some of those members are in the service
11 area for Turlock Irrigation District. And I won't
12 repeat some of the great comments that have
13 already been made, but I really do want to echo
14 one thing. And that is the reputation this
15 organization has in this area.

16 The Turlock Irrigation District is a
17 quality provider and quality community citizen.
18 And everything they do they do first class. And I
19 think that's probably evidenced by their
20 application to date.

21 I do want to say the Chamber has a
22 number one priority of economic development. And
23 better jobs for the folks in the Central Valley
24 are probably our biggest need. And, you know, we
25 have a lot of challenges in the Central Valley,

1 including some deficiencies in the transportation
2 area, as well as in the skills of our workforce.

3 One of the things that helps us offset
4 those liabilities at times is our affordable and
5 reliable energy source. And so this plant, we
6 believe, helps reinforce that asset, and protects
7 us for the future.

8 We would urge you to support and approve
9 the application. Thank you.

10 PRESIDING MEMBER BOYD: Thank you.
11 Gareth Krause, Merced Irrigation District.

12 MR. KRAUSE: Commissioner Boyd and
13 staff, my name is Gareth Krause. I'm Assistant
14 General Manager for Energy Resources at the Merced
15 Irrigation District.

16 As Larry Weis pointed out in his
17 presentation, Merced Irrigation District is a
18 close, adjacent geographical neighbor of Turlock
19 Irrigation District on its south boundaries. Not
20 only geographically close, but we're also closely
21 associated with Turlock in the water business, and
22 also retail electric business.

23 As Mr. Weis pointed out, they provide us
24 services in our efforts to become an established
25 electric retail utility in central California

1 here.

2 I speak today in support of the Walnut
3 Energy Center. It's a good project, from our
4 point of view.

5 Historically the Central San Joaquin
6 Valley, perhaps the entire Central Valley of
7 California, progressed from a rich resource area
8 in terms of electric energy, going back to the
9 early 1900s when all the hydro resources were
10 produced here in the Valley.

11 And we've progressed from being rich to
12 being a little bit poor in energy, indigenous
13 energy resources, as a lot of that energy got
14 consumed and exported to outside areas. And as
15 Mr. Weis' numbers pointed out, for Turlock for
16 example, and it's similar throughout the Central
17 Valley, most everyone is importing energy into the
18 Central Valley.

19 This project brings local resources for
20 local use into this area. Even though it's a
21 local project, we, from Merced Irrigation
22 District's standpoint, look at it as a regional
23 project because it's going to benefit the entire
24 Central Valley.

25 It provides additional energy resources

1 and reliability for this area, and we would urge
2 the Commission to approve this project.

3 Thank you.

4 PRESIDING MEMBER BOYD: Thank you.
5 Anthony Leo, Stanislaus County Fair.

6 MR. LEO: Good afternoon. My name is
7 Anthony Leo and I'm the CEO of the Stanislaus
8 County Fair. We are also known as the 38th
9 District Agricultural Association.

10 We are one of total 54 district
11 agricultural associations that operate under the
12 auspices of the Department of Food and Agriculture
13 for the State of California.

14 We have a nine-member board that's
15 appointed by the Governor of the State of
16 California. We are the single largest event in
17 all of Stanislaus County, attracting over 220,000
18 people in the year 2002 for a ten-day run. We
19 have 13 full-time employees, and we grow to over
20 400 employees at fair time.

21 Because the majority of our budget is
22 generated during that ten-day period of time it is
23 paramount that we have a reliant source of power.
24 Since our inception over 90 years ago, the Turlock
25 Irrigation District has supplied us not only with

1 that reliable source of power, but also with some
2 of the best rates in the State of California.

3 In speaking with some of my counterparts
4 throughout the State of California about the cost
5 of electricity, we feel very privileged to be
6 residing within the Turlock Irrigation District
7 and to have them as our utility supplier.

8 Turlock Irrigation District not only is
9 a great supplier of reliable electricity for us,
10 and providing us great rates, but they also offer
11 tremendous service. At our 2002 fair we had two
12 transformers that were about to fail in the middle
13 of the fair. These transformers supplied most of
14 the power to our buildings and a good portion of
15 our food concessionaires on the grounds.

16 Turlock Irrigation District crews were
17 able to change out said generators during the
18 middle of our fair with little or no disruption or
19 inconvenience. They have always been very
20 responsive to our needs, and they've been very
21 easy to work with. And we're very appreciative of
22 that.

23 As our community and our fair continues
24 to grow, it is important that we have a reliable
25 and constant source of power that we feel will

1 feed that growth. We are grateful to Turlock
2 Irrigation District in their proactive stance and
3 for their pursuing this project. And we fully
4 support that.

5 Thank you for your time today.

6 PRESIDING MEMBER BOYD: Thank you very
7 much. George Werness, a Turlock resident, I
8 believe.

9 MR. WERNESS: Hi, I just had a question
10 from the brochure that I was reading, and perhaps
11 this wasn't the place to ask it. But as long as I
12 was here, I thought I'd raise it.

13 Look at the L90 which is referred to,
14 ambient noise, L90 for 90 percent of the time it
15 doesn't get above that level during the night.
16 And I thought it was -- based on that, which is
17 basically the first half of the paragraph under
18 noise, they give quite a lot of assurance, the
19 second half of the paragraph under noise.

20 And if I understand L90 right, you could
21 have really a very noisy situation for 89 percent
22 of the time, and a whisper-quiet situation 11
23 percent of the time, and it would pass the L90,
24 because you would not have exceeded that whisper
25 for a full 90 percent of the time.

1 And so I think that more than reference
2 to the L90, one could give a little bit more
3 interesting assurance. I'd be interested in an
4 L10, since we're talking about a nighttime noise
5 level. I would like to know what level of noise
6 would be exceeded, say one minute out of every ten
7 during the night.

8 I agree with everybody else, that TID is
9 a fine outfit. And I agree with everybody else
10 that we're energy dependent and need a reliable
11 and fine source.

12 But looking at this project, I just
13 thought perhaps they would clarify the noise.

14 PRESIDING MEMBER BOYD: While you're
15 standing there why don't we ask the applicant if
16 they'd like to address that. I think there's an
17 issue --

18 MR. CARRIER: We can do that --

19 PRESIDING MEMBER BOYD: -- here that's
20 easily fixed.

21 MR. CARRIER: Your perception is -- your
22 nomenclature is backward but your perception is
23 correct. The L90 is the quietest six minutes of
24 every hour. So during the nighttime we measure
25 the quietest six minutes, and that's what we base

1 the ambient on.

2 So, in essence, it's the quiet time
3 underneath the noise.

4 MR. WERNESS: I understand that. I
5 think I understand that, --

6 MR. CARRIER: So like you were saying,
7 you called it the L10, but it was --

8 MR. WERNESS: Well, what it says here,
9 L90 -- the noise level that is exceeded during 90
10 percent of the measurement period. And so, I
11 thought if you had something as loud as 120
12 decibels for 89 percent of the time, and a 20
13 percent whisper, a 20 decibel whisper the rest of
14 the time, you would just ask whether that whisper,
15 because --

16 MR. CARRIER: Yeah, it's exceeded
17 because --

18 MR. WERNESS: -- that is what was
19 exceeded for 90 percent of the time, not the 100
20 or 120 decibels.

21 MR. CARRIER: Right, right, so we're
22 measuring the quietest 10 percent, so 90 percent
23 of the time it's noisier than that.

24 MR. WERNESS: That's right, I didn't see
25 why you had a quiet 10 percent of the time at

1 night, -- much assurance if you're talking about
2 nighttime ambient noise. I just was wondering
3 what nighttime ambient noise was going to be.

4 MR. CARRIER: And so if you went outside
5 at night, the quietest 10 percent of the time
6 during any hour is what we measure.

7 MR. WERNESS: But everybody knows the
8 quietest 10 percent of the time is just like that.

9 MR. CARRIER: Exactly, --

10 MR. TRASK: And that's the baseline.

11 MR. WERNESS: Yes, yeah --

12 MR. TRASK: That's the baseline against
13 which we measure the noise from the power plant.

14 MR. WERNESS: Yes.

15 MR. TRASK: So I think it's kind of
16 reverse of maybe what you're thinking. We look at
17 what essentially the quietest time of the night,
18 which --

19 MR. WERNESS: Yes.

20 MR. TRASK: -- is when people expect to
21 be sleeping, especially in the summer when the
22 windows are open and so forth. And that's the
23 level that we stress in our analysis.

24 And then we look at the power plant's
25 contribution to that baseline noise level. If it

1 exceeds it by a certain amount, and that kind of
2 varies depending on a lot of factors, then we
3 might consider that as a significant impact.

4 MR. WERNESS: So how would -- so, can
5 they tell us, for example, how much it will exceed
6 that noise right there?

7 MR. TRASK: I believe the AFC does have
8 information in it as what they predict the noise
9 levels will be at what we call the sensitive
10 receptors, the residences nearing there.

11 MR. WERNESS: Yeah, I --

12 MR. TRASK: I don't know what that is
13 offhand, but that is in the application.

14 MS. STRACHAN: Susan Strachan, the
15 Environmental Project Manager. The AFC does have
16 details; it has all of the monitoring results that
17 we did take at four different locations, primarily
18 residents located closest to the site.

19 The noise standards, in terms of the
20 L90, therefore are listed in the application.
21 We'd be happy to go over those with you.

22 I think the key --

23 MR. WERNESS: Can you give a kind of
24 rough idea on just how noisy --

25 MS. STRACHAN: I don't --

1 MR. WERNESS: -- it would be --

2 MS. STRACHAN: I don't have the L90s in
3 front of me. I can tell you in terms of noise
4 level that you heard out there, I don't know if
5 you went on the site visit --

6 MR. WERNESS: I didn't. And I don't
7 live really close enough to it that I'm personally
8 worried about it. I just -- when I read the thing
9 it seemed to me that it wasn't very informative.
10 And I was kind of wondering, with the generators
11 and whatnot, just what kind of noise you're going
12 to be setting up out there. I just --

13 MS. STRACHAN: We're looking at, on an
14 LDN basis, at about a 69 dba.

15 MR. WERNESS: Sixty-nine decibels?

16 MS. STRACHAN: Which is comparable to
17 probably my voice talking right now, or a little
18 bit less than that, I think.

19 MR. CARRIER: The LDN is a little bit
20 different, too, because that's a day/night, 24-
21 hour weighted average, so it's difficult to
22 explain what that is. I think it would be -- does
23 it have it in just straight decibels?

24 MS. STRACHAN: No.

25 MR. CARRIER: Oh, okay, --

1 MR. HARRIS: Let me add a couple things
2 if I could. One thing, the L90 is the quietest
3 six minutes out of the hour, but it's not six
4 whole minutes. So if there's a 15-second period
5 during one minute that's part of that quiet, so --

6 MR. WERNESS: Well, that sort of
7 occurred to me just because you had a very low
8 LD90 noise, that meant that for -- it occurred to
9 me that -- could make that -- could meet your
10 tests, so it wasn't very encouraging. I thought
11 you could say something more.

12 MR. HARRIS: Well, the other thing, I
13 guess, I would say, as well, is that the project
14 will be required to comply with the local
15 ordinances that are in place, just whether --

16 MR. WERNESS: Well, yeah, it could be
17 very minimal. I was kind of wondering. I didn't
18 want to kind of go back and figure out what
19 Turlock had. And I just thought maybe somebody
20 could say how loud these generators are going to
21 be during most of the night.

22 MS. STRACHAN: Yeah, and I think what's
23 difficult is when you're dealing with numbers,
24 well, what is an L90. One of the things it has in
25 our application is it gives examples of noise

1 levels based on, you know, different types of
2 things that we're aware of in everyday life.

3 And for example, normal conversation at
4 five feet is 60 dba. Now, there's variations in
5 those numbers compared to, as John said, when I'm
6 saying we're at a 69 LDN. But it kind of gives
7 you an idea, 60 being my normal talking voice to
8 you, for example.

9 MR. CARRIER: If all of us were quiet
10 and didn't make any noise in this room, so that
11 the quiet time between our talking might get down
12 to about 55 or 60 decibels.

13 MR. WERNESS: Right there, do you mean
14 when we --

15 MR. CARRIER: So you hear that --

16 MR. WERNESS: -- listen to that fan
17 motor?

18 MR. CARRIER: Yeah, that's probably
19 about 55 decibels or so. And now the thing with
20 sound is the further away you are from the source,
21 it becomes quieter, right. So it attenuates over
22 distance. That's why it's hard also to say what
23 the noise is going to be, because it depends from
24 what point from the plant.

25 MS. STRACHAN: I just happen to have a

1 noise meter here.

2 (Laughter.)

3 MS. STRACHAN: Don't ask why, but --

4 (Laughter.)

5 MS. STRACHAN: And --

6 MR. WERNESS: Don't use it when I'm

7 talking --

8 MS. STRACHAN: It's 68, 69. John was
9 registering at 65. So, that kind of gives you an
10 idea, I think.

11 But I think the key point is that, you
12 know, the City establishes a noise level; the
13 County establishes noise levels for the various
14 land uses. The site is in an industrial area, and
15 the project will meet the noise standard that's
16 been developed for that area, which is 75 dba
17 because it's industrial.

18 MR. TRASK: Mr. Werness, I can assure
19 you that when we produce our two documents, the
20 preliminary staff assessment and the final, noise
21 is a very major subject in there. And I think it
22 generally does a pretty good job of explaining the
23 technical side of it, what we use as a baseline.

24 In addition to the standards that
25 they're talking about, the City and County have

1 their own standards of what should be a noise
2 level in an industrial area, a residential area
3 and so forth. We also look at just the power
4 plant's contribution to the background noise
5 level.

6 We have it kind of on a sliding scale;
7 it depends on the noise that's already there, sort
8 of the expectation of the people who are living
9 there. But we look at a range. If we see that
10 the plant would increase, say, background noise
11 levels of less than 5 decibels, generally we don't
12 call that an impact. But if it's between 5 and
13 10, then we start looking closer to see whether
14 that might be an impact. And then generally if
15 it's above a 10 decibel increase, we call that an
16 impact, and then we would require mitigation.

17 So I think you'll see this is a very
18 well --

19 MR. WERNESS: That's interesting,
20 encouraging, yeah.

21 MR. TRASK: -- laid out in our analysis
22 when it comes out.

23 MR. WERNESS: Thank you.

24 MS. STRACHAN: And if I could add, Mr.
25 Werness, we'd be happy to spend as much time on

1 this and go through this with you in more detail
2 if you can stay till the end of the hearing, we'll
3 be --

4 MR. WERNESS: Well, sure, but I'd like
5 to, if you're talking at 65 and he's talking at
6 69, that means were he to raise his voice he would
7 have had an impact --

8 (Laughter.)

9 MR. WERNESS: -- and if that's the
10 standards that the project can't exceed, I think
11 that's very encouraging.

12 Thank you very much.

13 MS. STRACHAN: And you're about at a 57.

14 (Laughter.)

15 MR. WERNESS: Well, see, it already had
16 an effect on me then, didn't it?

17 (Laughter.)

18 PRESIDING MEMBER BOYD: Thank you. Mike
19 Thorpe of The Turlock Journal.

20 MR. THORPE: She came very prepared.
21 I'm Mike Thorpe, Publisher of The Turlock Journal.
22 And I'm here to voice my support in favor of the
23 Walnut Energy Center Power Plant. And my support
24 is threefold:

25 One, Turlock has and will continue to

1 experience explosive growth. And this plant will
2 be needed to insure consistent energy flow to not
3 only current customers, but future ones, as well.

4 Secondly, it will allow TID to end its
5 reliance on other sources of energy thus providing
6 the District with the opportunity to offer stable
7 and predictable pricing to its residential and
8 commercial customers.

9 And lastly, TID has an established track
10 record throughout its history and it's proved to
11 be a responsible corporate citizen.

12 Thank you.

13 PRESIDING MEMBER BOYD: Thank you very
14 much. That's the last blue card I have. Is there
15 anyone else in the audience, in the public, who'd
16 like to make a statement or presentation?

17 If not, Mr. Valkosky, I'll hand it back
18 to you.

19 HEARING OFFICER VALKOSKY: Thank you,
20 Commissioner.

21 At this point I'd like to turn to a
22 brief scheduling discussion relating to the
23 proposed schedules that the applicant and the
24 staff have submitted.

25 I'd note they're in general agreement.

1 There are several differences.

2 For today's purpose my recommendation to
3 the Committee would be it's not necessary to
4 continue any scheduling matters past the issuance
5 of the preliminary staff assessment. Because I
6 think everything gets more and more speculative
7 until we've got the PSA out.

8 I note that both parties project May 9th
9 as the due date for the PSA. So you can expect to
10 see that in a Committee order.

11 I'd like the parties to focus on what I
12 see as four differences leading up to the issuance
13 of the PSA.

14 The first is the applicant filing the
15 data responses. Staff has projected February 6th.
16 The applicant, February 17th. Is there any -- I
17 would like to know if there's any accommodation on
18 those dates, or that has changed.

19 Second, the data response workshop,
20 which staff projects February 19th; the applicant
21 a week later on the 26th. Then again we get into
22 data responses where staff projects April 1st;
23 applicant April 9th.

24 And finally the data response workshop.
25 Staff would like April 29th; applicant would like

1 April 18th, which I'll note is also Good Friday.

2 Anyway, I think these are preliminary
3 things. I'd like the parties, first staff and
4 applicant, to address those apparent conflicts.
5 Also indicate briefly whether you believe the
6 situation with the emission reduction credits
7 could lead to substantial delays.

8 Next indicate whether you believe there
9 is a present apparent need for future status
10 conferences, or whether monthly status reports
11 would suffice to keep all parties and the
12 Committee advised of the progress on the case.

13 With that, Mr. Trask?

14 MR. TRASK: First of all, Mr. Valkosky
15 and Commissioner Boyd, I do apologize that we had
16 some incorrect dates in our original schedule.

17 I have a few corrections that I put into
18 my presentation today. In general, I've been
19 talking with Ms. Strachan about schedule, and I
20 think you'll see that basically we provided sort
21 of a framework of what we believe is possible,
22 with our schedule sticking more to, I guess you'd
23 say, traditional dates. Although, as you see,
24 there are some that are sort of backwards.

25 I think Ms. Strachan can speak to the

1 fact that what she had done in her schedule was to
2 accelerate some of the deadlines for the
3 applicant's process.

4 In effect we're showing that there is, I
5 guess, some room for adjustments of the schedule
6 as we go on.

7 I do believe basically the dates in the
8 applicant's schedule are workable for us, up
9 through release of even the final staff
10 assessment. Obviously we may need to do some
11 adjustments. We have seen that almost certainly
12 the limiting factor for our analysis will be the
13 release of the preliminary determination of
14 compliance from the Air District. We've already
15 been in contact with them. They are a very short-
16 staffed agency, as many of the air districts are.

17 So at this point I would predict that it
18 will likely be the limiting factor in our process,
19 both the PDOC and the FDOC.

20 But beyond that I see no particular
21 reason why we couldn't really stick to either one
22 of these schedules.

23 HEARING OFFICER VALKOSKY: Okay. Do you
24 have an indication from the Air District as to
25 whether your suggested date of April 17th is do-

1 able for the PDOC?

2 MR. TRASK: The communication I got was
3 that they would do their best, but that they could
4 not give us, at this point, much assurance that
5 they can hit that date.

6 I think that that's something that we
7 can update as we go along. But, like I said, they
8 are a very short-staffed agency at this moment.
9 They've lost two of their three senior engineers
10 recently that were involved with power plant
11 applications.

12 HEARING OFFICER VALKOSKY: Okay, how
13 about in preparation of the FDOC, from a
14 scheduling perspective, do you see the present
15 issue over emission reduction credits as
16 potentially delaying the issuance of the FDOC?

17 MR. TRASK: With the fact that they are
18 not using any pre-1990 ERCs, which has been the
19 issue in other cases, I would predict that that
20 issue alone will not delay us.

21 HEARING OFFICER VALKOSKY: Okay. Last,
22 do you see any need for the Committee at this time
23 to entertain the suggestion for a status
24 conference or can we just go with status reports?

25 MR. TRASK: I think regular status

1 reports would be appropriate for this proceeding.

2 HEARING OFFICER VALKOSKY: Thank you.

3 Mr. Harris.

4 MR. HARRIS: Thank you, Mr. Valkosky.

5 I'm going to respond to some of your comments, and
6 make Susan Strachan available to deal with some of
7 the specifics, as well.

8 First off, I think your observation that
9 the schedules through the issuance of the
10 preliminary staff assessment both land on the same
11 days is both telling, and also I think a good sign
12 for the project.

13 We had actually contemplated only
14 proposing a schedule through that date, because I
15 think that's a reasonable timeframe to project
16 out. And so I think we are very supportive of
17 your suggestion that scheduling order with the
18 date of May, I think it was 9th.

19 In terms of the data responses, there's
20 a ten-day difference between ours and the staff's,
21 and I think that really goes to, in each case we
22 gave ourselves the full 30 days allowed under the
23 regulations to prepare our data responses.

24 Having said that, though, we have
25 committed to staff and more importantly, to the

1 District, to work to have our data responses
2 sooner in every case where that's possible. And
3 so in many instances we will be able to file those
4 data responses probably within about 20 days.

5 Some of the issues such as water and air
6 may be longer lead time, but our preference would
7 be to file those data responses in a set or two,
8 to get the information into staff's hands quickly
9 on the ones we're able to finish quickly.

10 In terms of whether the issues with the
11 Air District could potentially delay the project,
12 I think our response to that is no. The issues
13 that are being dealt with there are District-wide
14 issues; they're issues that affect not only this
15 project, but really every project within the San
16 Joaquin Valley District. And so we see those, as
17 Mr. Trask indicated, coming to a head I think in a
18 timely manner to allow our schedule to go forward.

19 We agree, as well, that I think status
20 reports would be sufficient at this time to deal
21 with keeping the Committee informed, although
22 we'll obviously file special reports if the
23 Committee would like that.

24 And I think that's pretty much all of
25 your questions. Do you want to add anything?

1 MS. STRACHAN: No, you covered it.

2 HEARING OFFICER VALKOSKY: Okay, just
3 let me clarify, Mr. Harris, from the Committee's
4 perspective, are the Commissioners on safe ground
5 assuming that applicant, staff and we have one
6 other party, California Unions for Reliable
7 Energy, can, among themselves, work out the
8 specific dates for the filing of data responses
9 and the scheduling of workshops, as opposed to
10 having the Committee mandate those in an order?

11 MR. HARRIS: I believe so, yes.

12 HEARING OFFICER VALKOSKY: Staff? Agree
13 with that?

14 MR. TRASK: (Affirmative nod.)

15 HEARING OFFICER VALKOSKY: Thank you.
16 This makes the Committee's job a lot easier.

17 Is there any other public discussion on
18 the scheduling matters?

19 PRESIDING MEMBER BOYD: Well, I think
20 we're going to be able to close this hearing very
21 quickly. I want to thank you all for appearing
22 today. I want to thank the District here for
23 hosting this meeting and for their courtesies, and
24 for the chocolate chip cookies, I think, which I'm
25 addicted to, personally.

1 In any event, I want to thank everybody
2 for their testimony. And I don't want to prejudge
3 the outcome of this, because I have to sit in
4 judgment, but this has been a pleasurable hearing,
5 let me put it that way. And it's always nice to
6 see a north-of-Path-15 power plant going along
7 smoothly.

8 So, good luck to all of you; and I hope
9 you are able to reconcile your differences. And I
10 look forward to seeing some of you again when we
11 have our next public hearing.

12 And with that, we can adjourn today's
13 meeting. Thank you.

14 (Whereupon, at 4:15 p.m., the hearing
15 was adjourned.)

16 --o0o--

CERTIFICATE OF REPORTER

I, JAMES RAMOS, an Electronic Reporter,
do hereby certify that I am a disinterested person
herein; that I recorded the foregoing California
Energy Commission Hearing; that it was thereafter
transcribed into typewriting.

I further certify that I am not of
counsel or attorney for any of the parties to said
hearing, nor in any way interested in outcome of
said hearing.

IN WITNESS WHEREOF, I have hereunto set
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